

DRAFT

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION
I.D. # 5407
RESOLUTION E-3983
3/15/06

R E S O L U T I O N

Resolution E-3983. SCE & SDG&E are granted an extension beyond June 30, 2006 of current interim levels of line extension allowances and cost of ownership charges while the issues raised in the subject Advice Letters and addressed in Res. E-3921 and subsequent applications are decided.

By Advice Letters SCE 1847-E & SDG&E 1647-E/1494-G filed on December 15 & 20, 2004, respectively.

SUMMARY

This Resolution extends approval of the interim electric and gas line extension allowances and monthly ownership charges in Advice letters (AL) 1847-E and 1647-E/1494-G beyond the June 30, 2006 date ordered by Resolution E-3921, dated June 16, 2005, to the date to appear in decisions in Applications SCE A. 05-10-019 and SDG&E/SoCalGas A. 05-09-019.

BACKGROUND

Subject ALs were filed to change the allowances and monthly ownership charges for line and service extensions under Rules 15 and 16 (for SoCalGas Rules 20 and 21). Because of protests about policy and methodology issues, that could not be dealt with in Resolution E-3921, subject utilities were ordered to file applications within 90 days (by September 30, 2005), addressing (a) the need for allowances to continue in areas of the IOU's service territory that are adjacent to competing municipal utilities, and the need in non-adjacent areas, if different, (b) alternative methods of calculating the net revenue on which future line extension allowances are based, including: average residential distribution rate proxy, averaging cumulative revenue from each residential schedule, and a marginal versus base cost approach, (c) revenue sources to be used when calculating the allowances, including that from substations, primary circuits, and sub-

transmission, (d) sources of data for calculating the allowances including the numbers of customers, distribution rates, average appliance usage, and RCS credit and other credits, and (e) criteria for requiring a revenue impact estimate be included in an allowance change advice letter filing.

NOTICE

Notice of AL 1847-E and 1647-E/1647-G was made by publication in the Commission's Daily Calendar. SCE and SDG&E state that a copies of the Advice Letters were mailed and distributed in accordance with Section III-G of General Order 96-A.

PROTESTS

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DISCUSSION

Public Utilities Code Section 783 (d) requires a new order or decision on the terms and conditions for the extension of services provided by gas and electric corporations to new or existing customers or amending those terms and conditions, to become effective on July 1 of the year which follows the year when the new order or decision is adopted by the Commission, so as to ensure that the public has at least six months to consider the new order or decision.

Res. E-3921 approved interim allowances and cost of ownership charges until June 30, 2006 but there is not enough time remaining before then to decide this issue. Therefore this resolution extends the interim allowances and cost of ownership charges to the date to appear in a decision applying to Applications SCE A. 05-10-019 and SDG&E/SoCalGas A. 05-09-019.

This postponement does not pose an unacceptable risk for the parties involved, because per Rule 15, changes to the allowances and ownership charges are only required if they change by 5 percent, but not sooner than six month after the last change. These changes have been infrequent over the last 10 years.

COMMENTS

Public necessity permits a waiver of the full 30-day comment period of Public Utilities Code Section 311(g) in order to provide the parties as soon as possible with the certainty that the current levels of line extension allowances and ownership charges will be maintained while the Commission decides the issues involved. We have balanced the public interest in avoiding the possible harm to public welfare flowing from delay in considering this resolution against the public interest in having the full 30-day period for review and comment as required by Rule 77.7(f)(9). We conclude that the former outweighs the latter. Because parties cannot both engage in settlement and prepare testimony regarding line extension allowances and cost of ownership charges, we conclude that failure to adopt a decision before the expiration of the 30-day review and comment period would cause significant harm to the public welfare. Accordingly we reduce the comment period for this Resolution to 6 days.

Timely comments were filed by on

FINDINGS

1. COMMISSION RESOLUTION E-3921 directed SCE and SDG&E to file Applications to revise line extension allowances , and it set an expiration date of June 30, 2006 for the interim level of allowances and cost of ownership charges.
2. Processing the extensive applications subsequently filed requires more time than remains before the expiration date of the interim allowances and charges.

THEREFORE IT IS ORDERED THAT:

The expiration date of the interim line extension and ownership charges shall be extended to the date ordered in a decision to be issued in Applications 05-09-019 and 05-010-019.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on 3/15/06 the following Commissioners voting favorably thereon:

STEVE LARSON
Executive Director

March 1, 2006
RESOLUTION E-3983

Commission Meeting

March 15, 2006

TO: PARTIES TO SOUTHERN CALIFORNIA EDISON ADVICE LETTER
1847-E AND SAN DIEGO GAS AND ELECTRIC ADVICE LETTER 1647-
E/1494-G

Enclosed is draft Resolution Number E-3983 of the Energy Division. It will be on the Agenda at the next Commission meeting, which is held at least 15 days after the date of this letter. The Commission may then vote on this Resolution or it may postpone a vote until later.

When the Commission votes on a draft Resolution, it may adopt all or part of it as written, amend, modify or set it aside and prepare a different Resolution. Only when the Commission acts does the Resolution become binding on the parties.

Parties may submit comments on the draft Resolution.

An original and two copies of the comments, with a certificate of service, should be submitted to:

Jerry Royer
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

A copy of the comments should be submitted to:

Brian Schumacher
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Fax: 415-703-2200

Comments on the draft Resolution must be received by the Energy Division by Tuesday March 7, 2006. Those submitting comments must serve a copy of their comments on 1) the entire service list attached to the draft Resolution, 2) all Commissioners, and 3) the Director of the Energy Division, on the same date that the comments are submitted to the Energy Division.

Comments shall be limited to five pages in length plus a subject index listing the recommended changes to the draft Resolution, a table of authorities and an appendix setting forth the proposed findings and ordering paragraphs.

Comments shall focus on factual, legal or technical errors in the proposed draft Resolution. Comments that merely reargue positions taken in the advice letter or protests will be accorded no weight and are not to be submitted.

Replies to comments on the draft resolution may be filed (i.e., received by the Energy Division) on Friday March 10, 2006, three days after comments are filed, and shall be limited to identifying misrepresentations of law or fact contained in the comments of other parties. Replies shall not exceed five pages in length, and shall be filed and served as set forth above for comments.

Late submitted comments or replies will not be considered.

Brian Schumacher
Energy Division

Enclosure: Service List
Certificate of Service

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of Draft Resolution E-3983 on all parties in these filings or their attorneys as shown on the attached list.

Dated March 1, 2006 at San Francisco, California.

Jerry Royer

NOTICE

Parties should notify the Energy Division, Public Utilities
Commission, 505 Van Ness Avenue, Room 4002
San Francisco, CA 94102, of any change of address to
insure that they continue to receive documents. You
must indicate the Resolution number on the service list
on which your name appears.

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